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IT IS SO ORDERED.

Dated: October 24, 2025



Beth A. Buchanan

Beth A. Buchanan
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION**

In Re

DAVID L. VORNHOLT

Debtor(s)

**Case No. 25-11808
Chapter 13
Judge Buchanan**

**MEMORANDUM OPINION IN SUPPORT OF THE ORDER IMPOSING THE
AUTOMATIC STAY UNDER 11 U.S.C. § 362 AS TO ALL CREDITORS AND PARTIES
IN INTEREST EXCEPT THE CLERMONT COUNTY TREASURER [Docket Number 6]**

This case is before this Court on *Debtor's Verified Emergency Motion to Impose the Automatic Stay Pursuant to 11 U.S.C. § 362 and for an Emergency Injunction Prohibiting the Sale of Debtor's Property* [Docket Number 6] ("Motion to Impose Stay"); the Memorandum Contra and Supplemental Memorandum Contra filed by Clermont County Treasurer Jeannie M. Zurmehly ("Clermont County Treasurer") [Docket Numbers 14 and 47]; and the Objection filed Minster Bank [Docket Number 45].

On July 28, 2025, Debtor David Vornholt (“Debtor”), through counsel, filed a chapter 13 bankruptcy petition. Because the Debtor had two prior bankruptcy cases dismissed within the year prior to this filing, no automatic stay went into effect. Accordingly, the Debtor filed a Motion to Impose Stay requesting an emergency hearing so that this Court could impose the automatic stay immediately and prevent a sheriff sale of certain real property scheduled for the day after the bankruptcy petition filing, July 29, 2025. This Court was unable to schedule a hearing prior to the sale, and, accordingly, the sheriff sale proceeded and the Debtor’s real property was sold to the highest bidders. However, the Clermont County Treasurer, the plaintiff in the tax foreclosure proceeding, entered an agreed order with the Debtor agreeing not to take action to have the sale confirmed by the Clermont County Court of Common Pleas until after this Court held an evidentiary hearing on the Debtor’s Motion to Impose Stay.

The evidentiary hearing on the Debtor’s Motion to Impose Stay, along with the Debtor’s subsequently filed Motion to Sell Real Property¹, was held on September 16, 2025. For the reasons that follow, this Court concludes that the Debtor failed to present clear and convincing evidence that his bankruptcy filing was in good faith with respect to the Clermont County Treasurer. Accordingly, the Debtor’s Motion to Impose the Stay is denied with respect to this creditor.

However, no other creditor objected to the Debtor’s Motion to Impose Stay except Minster Bank, a creditor that, during the hearing, indicated a change of position in support of the Debtor’s chapter 13 plan. The Debtor set forth evidence to support his intent to pay his other creditors to the best of his ability through his proposed chapter 13 plan. This Court concludes that the Debtor has met his burden of demonstrating, with clear and convincing evidence, that his most recent bankruptcy filing is in good faith with respect to his other creditors. Accordingly, the Debtor’s

¹ This Court makes its determinations with respect to the Debtor’s Motion to Sell Real Property by separate order.

Motion to Impose Stay is granted, in part, and denied, in part. The automatic stay is imposed with respect to all creditors and parties in interest in this case except the Clermont County Treasurer.

I. FACTS

The Debtor's request to impose the automatic stay and the Clermont County Treasurer's objection to that relief arises from a dispute over real estate tax delinquencies and building code violations more than a decade in the making. The delinquent real estate taxes and code violations involve the Debtor's real properties at 310 and 314 Susanna Way in the Village of New Richmond, Clermont County, Ohio (collectively the "Properties"). The Debtor has personally lived at the 310 Susanna Way property for 75 years and he purchased the property at 314 Susanna Way in 1980. Both Properties have homes that are historical in nature having been built in the 1800's.

At the hearing the Debtor testified that he was born in 1944 and, prior to retirement in the year 2000, was a corporate jet pilot making over 400 Atlantic crossings and at least 100 across the Pacific. During his career, he flew Richard Nixon and Margaret Thatcher among others. In his spare time, he invested in real estate.

The 310 Susanna Way property, his residence since he was 6 years old, was built in 1845 and has been in his family since his father purchased it in 1951. He testified that his fondness for the home and its history was beyond his ability to express. After he stopped flying, he ran the 314 Susanna Way property as a bed and breakfast for nineteen years, but the COVID pandemic made that business difficult as did conflicts with Clermont County and the Village of New Richmond where the Properties were located. According to the Debtor, the COVID pandemic, coupled with those conflicts, eventually led him to shut down the business. That, in turn, caused a loss of revenue and interfered with his ability to maintain the Properties.

David Stigler, the Assistant Fire Chief for New Richmond, testified at the hearing regarding interactions between local government agencies and the Debtor over the years. He testified that, in 2018 and, again, in 2021, the fire department was contacted by renters living at the Properties who felt that the structures were unsafe. In December of 2021, inspections were conducted by a Village of New Richmond Certified Fire Safety Inspector who issued citations against the Properties for hazards and unsafe conditions, including open wall sockets, an unsafe staircase, ceilings falling in, electrical hazards, water damage, and mold that the Debtor was required to abate within thirty days [Creditor Clermont County Treasurer (“CR”) Exs. I-1 and I-2].² According to the witness, it was made clear to the Debtor that no occupancy in the buildings was permitted while these violations remained unabated. Upon a follow-up inspection thirty days later, the Debtor remained noncompliant.

Several years later, on February 9, 2025, a fire occurred at the 310 Susanna Way property requiring the response of multiple fire departments. Mr. Stigler was part of that response. He testified that, at the time of the fire, the Debtor’s brother was living in the 310 Susanna Way property along with a family of four and another gentleman. They were evacuated from the property.

A few days after the fire, the fire department visited the other property, 314 Susanna Way, and saw stabilizers holding up the second floor and kerosene heaters and generators that were a carbon monoxide and safety hazard. At the time of the fire, there had been residents living at both properties who, when later interviewed, indicated that they were paying rent to the Debtor. At the hearing, the Debtor testified that renters were living in both structures up until the February 9, 2025 fire.

² The Clermont County Treasurer’s exhibits are filed with this Court at Docket Number 65. The Clermont County Treasurer’s Exhibits A – K were admitted at the hearing.

Mr. Stigler testified to pictures entered into evidence showing extensive fire damage to the first floor of 310 Susanna Way following the February 9, 2025 fire and the existence of serious structural and electrical safety hazards at both 310 and 314 Susanna Way, including a hydraulic jack used to hold up the stairwell and wood beams and cinderblocks holding up the first floor of the house at 314 Susanna Way [CR Exs. J and K]. Mr. Steigler noted that because of the unsafe conditions and hazards at both Properties, no one has been permitted to reside in them.

The Debtor agreed that repairs needed to be made to the buildings but denied that they were significant or structural in nature. He admitted that they currently have no utilities, including electrical power or water. The Debtor testified that he was making the needed repairs slowly over time and admitted that he had stayed overnight at the 310 Susanna Way property at times while making repairs. He most recently spent the night at the property immediately prior to the evidentiary hearing in this matter.

Following the fire, adjudication orders were issued on February 19, 2025 by the Clermont County Board of County Commissioners concluding that the house at 310 Susanna Way was an unsafe building due to the structure fire and other code violations and that the house at 314 Susanna Way was likewise determined to be unsafe due to code violations [CR Exs. H-1 and H-2]. Mr. James Wilson, a building code official with the Clermont County Building Department testified that the Debtor had thirty days to comply with the adjudication orders by requesting permits and making the needed repairs. He testified that neither the Debtor nor anyone else has contacted the Building Department about making the needed repairs.

At the evidentiary hearing, the current Clermont County Treasurer testified that she became aware of the Debtor and the Properties when she started to work in the county delinquent tax division in 2007. She testified to real estate tax records showing that that Debtor has been

delinquent in paying his real estate taxes on both the 310 and 314 Susanna Way Properties since between 2007 and 2009 [CR Exs. A-1 and A-2]. Although the records show some payments were made by the Debtor over the years, tax delinquencies remain on the Properties to this day [*Id.*]. In addition to the 310 and 314 Susanna Way properties, county tax records reveal that the Debtor owes delinquent real estate taxes on other properties he owns in the county and that those taxes also remain unpaid [CR Ex. A-3].

In February of 2012, the Clermont County Treasurer at that time filed complaints in foreclosure for the delinquent real estate taxes that the Debtor owed on both Properties and obtained consent judgment entries of foreclosure in September of 2012 [CR Exs. B and C]. Pursuant to those consent judgment entries, the orders to sell the properties were held in abeyance to allow the Debtor to enter delinquent tax contracts with the Clermont County Treasurer that allowed the Debtor to repay the taxes over a period of time. The Clermont County Treasurer testified that the Debtor remained on the repayment program for less than two years before he defaulted. The terms of the consent judgment entries permitted the sale of the Properties upon default.

Following the Debtor's default on repayment under the delinquent tax contracts, the Clermont County Treasurer testified that the 310 and 314 Susanna Way Properties were scheduled for sheriff sales on a series of occasions, all of which were prevented by the Debtor's successive bankruptcy filings. The first Notices of Sale scheduled both Properties for sheriff sale on February 11, 2014 [CR Exs. D-1 and E-1]. The Debtor filed a chapter 13 bankruptcy petition on February 10, 2014 in Bankruptcy Case Number 14-10440 preventing the sale from proceeding.³ The Debtor's bankruptcy case was dismissed on April 25, 2014 for failure to file documents.

³ The Clermont County Treasurer testified to the Debtor's successive bankruptcy case filings. This Court takes judicial notice of the case numbers of the Debtor's prior bankruptcy filings in the Southern District of Ohio and the record

The second Notices of Sale scheduled the 310 Susanna Way property for sheriff sale on July 8 2014 [CR Ex. D-2]⁴ and the 314 Susanna Way property for sheriff sale on July 22, 2014 [CR Ex. E-2]. These sales were prevented by the Debtor's chapter 13 bankruptcy petition filing on July 7, 2014 in Bankruptcy Case Number 14-12863. This bankruptcy case was dismissed on November 12, 2019 for failure of the Debtor to make payments.

The third set of Notices of Sale scheduled the 310 Susanna Way property for sheriff sale on March 24, 2020 [CR Ex. D-3] and the 314 Susanna Way property for sheriff sale on March 17, 2020 [CR Ex. E-3]. These sheriff sales did not go forward because of the Debtor's chapter 13 bankruptcy filing on March 6, 2020 in Bankruptcy Case Number 20-10717. This bankruptcy case was dismissed on February 26, 2025 for failure of the Debtor to make payments.

Around April of 2025, the Debtor attempted to pay his delinquent property taxes owed to the Clermont County Treasurer in full. He went to the county auditor's office to find out what he owed and discovered it was a total of \$68,187.32 [Debtor ("DR") Ex. 3].⁵ He took a cashier's check dated April 24, 2025 for that exact amount to the Clermont County Treasurer [DR Ex. 4]. The Debtor testified that his payment was refused by the county because of the code violations at the Properties. However, the Debtor testified that the county took his tax payments prior to this time even though code violations existed on the Properties back to 2021. Furthermore, the Debtor transferred properties at 208 and 212 Susanna Way to another individual even though code

with respect to the date of dismissal of those cases. *See ZMC Pharmacy, LLC v. State Farm Mut. Auto. Ins. Co.*, 307 F.Supp.3d 661, 665 n.1 (E.D. Mich. 2018) (noting that a court may take judicial notice of its own docket); *Baccala Realty, Inc. v. Fink (In re Fink)*, 351 B.R. 511, 517 n.1 (Bankr. N.D. Ill. 2006) (holding that a court may take judicial notice of the record in its own cases).

⁴ The Property address in the notice is listed incorrectly but the Clermont County Treasurer testified that this was the correct case number for the 310 Susanna Way property.

⁵ The Debtor's exhibits are filed with this Court at Docket Numbers 67 and 72. Debtor's Exhibits 1, 2, 3, 4, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 18, 19, 21, 22, 24, 26 and 27 were admitted at the hearing.

violations and/or demolition orders existed on those properties [DR Exs. 18 and 21]. The Debtor believes that the county's refusal to take the Debtor's payment and determination to sell the Properties may be due to the Village of New Richmond and Clermont County receiving a \$13.4 million grant to build a marina right in front of the Properties and their intent to redevelop the area [DR Ex. 6].

The fourth set of Notices of Sale scheduled the 310 and 314 Susanna Way properties for sheriff sale on April 29, 2025 [CR Exs. D-4 and E-4]. The sheriff sales did not go forward because of the Debtor's chapter 13 bankruptcy filing on April 28, 2025 in Bankruptcy Case Number 25-10998. This bankruptcy case was dismissed on June 12, 2025 for failure of the Debtor to file documents. The Debtor testified that he provided his bankruptcy counsel the data necessary to prepare the plan and schedules that should have been filed in the case, but the attorney never created the schedules or plan. The Debtor believes he received ineffective assistance of counsel in that case.⁶

The fifth set of Notices of Sale scheduled the 310 and 314 Susanna Way properties for sheriff sale on July 29, 2025 [CR Exs. D-5 and E-5]. On July 28, 2025, the day prior to the scheduled sheriff sale, the Debtor filed a chapter 13 bankruptcy petition, the one initiating this current case. However, because two of the Debtor's prior bankruptcy cases had been dismissed within the prior year and no automatic stay was in place,⁷ the sheriff sale, a public auction, proceeded and the Properties were sold to the highest bidders with bids totaling \$96,000 for 310

⁶ The attorney who represented the Debtor in Bankruptcy Case Number 25-10998 is not the same attorney who represents the Debtor in his current bankruptcy case and who also represented the Debtor in his 2014 and 2020 bankruptcy cases. For reasons not explained, the Debtor did not contact his present attorney before filing Bankruptcy Case Number 25-10998.

⁷ On July 28, 2025, the Debtor filed his chapter 13 bankruptcy petition initiating the current bankruptcy case along with an emergency motion to impose the stay to prevent the sheriff sale of the 310 and 314 Susanna Way properties scheduled for the following day, July 29, 2025. This Court was unable to schedule the hearing prior to the sale so the sheriff sale proceeded as scheduled.

Susanna Way and \$90,000 for 314 Susanna Way [DR Exs. 12 and 14]. The Clermont County Treasurer has not yet proceeded to file a motion to confirm the sale, but, instead, entered an agreed order with the Debtor to hold off on taking such action until this Court adjudicates the Motion to Impose the Stay [*see* Docket Number 22].

Following the sheriff sales of the Debtor's Properties, the Debtor filed a motion to sell the Properties to another individual, William Deavers, for a total of \$240,000 which is \$54,000 more than the bids received for the Properties at the sheriff sales [Docket Number 59, as amended]. Mr. Deavers testified that he grew up in New Richmond and loves the history of the area. He is a successful businessman in the entertainment industry and testified that he has over \$3,000,000 available in cash. Mr. Deavers testified at the hearing that he signed a letter of intent in August of 2025 [DR. Ex. 1] and a contract for the purchase of the Properties at the \$240,000 price [DR Ex. 2]. As part of the proposed transaction, Mr. Deavers agreed to lease a private bedroom and bathroom back to the Debtor rent-free for the rest of the Debtor's life. Mr. Deavers rehabilitated residential buildings in the past, including a bed and breakfast in Bethel, and testified that he has no doubt that the Debtor's Properties are capable of being rehabilitated. If the sale is consummated, he stated that he will start rehabilitating the Properties immediately, including abating the code violations first so that the county will be satisfied.

Mr. Joshua Koltak, the attorney for Minster Bank, a secured creditor with a lien against the 310 Susanna Way property and a party that initially objected to the Motion to Impose Stay, confirmed the bank's support for the Debtor's motion to sell the Properties to Mr. Deavers. Mr. Koltak stated that Minster Bank agreed to take \$85,000 from the private sale, at which point it would release its lien and consider the matter closed. The Chapter 13 Trustee ("Trustee")

confirmed that the sale to Mr. Deavers and agreement from Minster Bank would allow the Debtor to fund his proposed chapter 13 plan paying creditors 100% on their claims [Docket Number 51].

The Debtor testified that he is acting in good faith in his current bankruptcy filing and is committed to selling his Properties to Mr. Deavers who will help him restore the houses. He stated his agreement to work with Clermont County and the Village of New Richmond to repair the houses to where they need to be. He believes that the homes are critical to the history of the community and he testified that he wants to make them beautiful and, at the same time, pay his creditors using the proceeds from the sale to fund the plan.

II. LEGAL ANALYSIS

Because the Debtor had two prior bankruptcy cases dismissed within a year of his current bankruptcy filing, no automatic stay went into effect when he filed his current case. 11 U.S.C. § 362(c)(4)(A)(i). Nonetheless, Bankruptcy Code Section 362(c)(4)(B) provides that, if within 30 days after the filing of the later case, a party in interest, including a debtor, requests the imposition of the automatic stay as to any or all creditors, the court may impose the stay after notice and a hearing, but only if the party in interest demonstrates that the filing of the later case is in good faith as to the creditors to be stayed. 11 U.S.C. § 362(c)(4)(B). In this instance, the Debtor seeks to impose the automatic stay as to all of his creditors and argues that his latest bankruptcy filing is in good faith. One of the Debtor's creditors, the Clermont County Treasurer, objects to this relief.

In making the request to impose the automatic stay, the Debtor must rebut a presumption that his current bankruptcy case was not filed in good faith by clear and convincing evidence to the contrary. 11 U.S.C. 362(c)(4)(D). If this Court should determine that the Debtor has met this burden, the stay may only be imposed on a forward-looking basis – effective beginning on the date of the order allowing the stay to go into effect. 11 U.S.C. § 362(c)(4)(C).

“Good faith” is not a defined term in the Bankruptcy Code and the Sixth Circuit has not addressed the standard to apply in the context of a lack of good faith under § 362(c)(3) or (c)(4). *In re Blankenship*, 2025 Bankr. LEXIS 1586, at *11-12, 2025 WL 1821144, at *4 (Bankr. E.D. Tenn. July 1, 2025). Many bankruptcy courts have applied a “totality of the circumstances” approach considering a variety of factors such as: (1) the timing of the petition; (2) the types of debts sought to be discharged and the circumstances under which they arose; (3) the debtor’s motive; (4) the debtor’s treatment of creditors both before and after the petition was filed; (5) the frequency of the debtor’s bankruptcy filings and reasons why the debtor’s prior cases were dismissed; (6) the likelihood that the debtor will have steady income sufficient to fund a plan; and (7) whether any party objects to the motion. *See id.* (citing *In re Riedy*, 517 B.R. 88, 91 (Bankr. W.D. Mich. 2014)); *see also In re Vonderhaar*, Case No. 12-14322, Docket Number 34, pp. 4-5 (Bankr. S.D. Ohio Oct. 18, 2012).

In this instance, the Debtor and the objecting creditor have a long relationship brought about by the Debtor’s non-payment of real estate taxes. Following the tax delinquencies, the creditor obtained consent judgment entries of foreclosure against the Debtor’s Properties, which permitted the Debtor to enter into delinquent tax contracts to attempt to repay the amounts due. The Debtor defaulted under the contracts leading to the County’s attempts to sell the Debtor’s Properties through scheduled sheriff sales on five separate occasions in order to recover the delinquent taxes. All of the sheriff sales, except the final one, were prevented from proceeding by the Debtor’s successive bankruptcy petitions filed only a short time prior to the scheduled sale dates. All four of the Debtor’s most recent bankruptcy filings, prior to the current one, were unsuccessful and ultimately dismissed for either the Debtor’s failure to file documents or failure to make plan payments. This history reveals a pattern of using bankruptcy filings to thwart the

Clermont County Treasurer's attempts to collect delinquent real estate taxes, while, at the same time, lacking the intent to follow through with his bankruptcy cases and pay the amounts due.

Further concerning is the Debtor's continued flaunting of the code violations at the Properties. The Debtor has known of unsafe conditions at the Properties since at least 2021 and, yet, continued to permit renters and others to reside there until the February 9, 2025 fire. Even after the fire, the Debtor sporadically spends the night at the Properties, even though they have no electricity or running water, in defiance of the adjudication orders issued.

Nonetheless, the Debtor argues that his current bankruptcy filing is in good faith because he has found a purchaser for the Properties, Mr. Deavers, who promises to rehabilitate them while allowing the Debtor to live at 310 Susanna Way rent-free for the rest of his life. Mr. Deavers has agreed to a sale price that is significantly higher than the highest bids at the sheriff sale that proceeded on July 29, 2025. The proceeds from the sale would be sufficient to not only pay the delinquent real estate taxes owed to the Clermont County Treasurer, but also to pay the Debtor's other creditors 100% on their claims. Mr. Deavers also promises to rehabilitate the Properties and abate the code violations.

This Court recognizes and appreciates the tremendous efforts of Debtor counsel in negotiating a transaction that resolves issues raised by Minster Bank and the Trustee, and in helping to procure the generous offer by Mr. Deavers that, if consummated, would benefit the bankruptcy estate, rehabilitate the Properties, and provide the Debtor with a rent-free home. However, the efforts of Debtor counsel and the offer by Mr. Deavers cannot overcome the Debtor's past behavior towards the county, including using bankruptcy filings to thwart the payment of real estate taxes for more than a decade and allowing individuals to reside at the Properties while serious code violations and safety hazards remained unabated. This Court concludes that the

Debtor has failed to demonstrate with clear and convincing evidence that his current bankruptcy filing is in good faith with respect to the objecting creditor. Accordingly, the automatic stay is not and will not be imposed with respect to the Clermont County Treasurer.

Nevertheless, the Debtor has filed his schedules and a chapter 13 plan and, at the evidentiary hearing, indicated a commitment to paying his creditors through this bankruptcy case. With the exception of the Clermont County Treasurer, no other creditors have objected to the imposition of the automatic stay except Minster Bank, and Minster Bank changed its position at the hearing. This Court finds that the Debtor has rebutted the presumption as to his other creditors and the automatic stay will be imposed as to them.

With this determination, the Clermont County Treasurer is free to exercise its state law rights that may include filing a motion in state court to confirm the sale of the Properties to the highest bidders at the July 29, 2025 sheriff sale. In that proceeding, the Debtor may raise any state law defenses to confirmation of the sale that he has.⁸ To the extent confirming the sale is not a forgone conclusion, the Clermont County Treasurer may also consider Mr. Deavers' alternative offer to purchase the Properties that, if consummated, would not only pay the taxes owed to the county, but would rehabilitate the historic houses at 310 and 314 Susanna Way and allow the Debtor to remain in his family home for the rest of his life.⁹ The decision is in the county's hands.

Pursuant to 11 U.S.C. § 362(c)(4)(B) and for the reasons set forth above, this Court imposes the automatic stay as to all creditors and parties in interest in this case, except the Clermont County

⁸ The Debtor argues that the Clermont County Treasurer lacked authority to refuse the Debtor's cashier's check, presented to the county in or around April of 2025, that would have paid the real estate tax delinquencies in full. The Clermont County Treasurer cites Ohio Revised Code § 5721.25 for its authority to refuse the payment based on the building code violations that remain on the Properties. To the extent that the Debtor wishes to litigate this state law issue, the appropriate venue is the tax foreclosure litigation in state court.

⁹ This Court notes that, because the estate's interest in the Properties has not been abandoned, any excess proceeds from their sale remain property of the estate. *See Johnson v. Struebing (In re Russell)*, 663 B.R. 310, 315 (Bankr. N.D. W.Va. 2024).

Treasurer. This Court will issue a separate order imposing the automatic stay in this case but excluding the Clermont County Treasurer from its scope.

SO ORDERED.

Distribution List:

Default List